



MEMORANDUM

TO: Conservative Party Caucus
Conservative Party National Council
Conservative Fund Canada
Conservative Party EDA Presidents

FROM: Doug Finley, Campaign Director

DATE: August 23, 2006

SUBJECT: Election Readiness Alert

Yesterday the Prime Minister announced that a clear majority of lumber companies had confirmed their support for the Government's softwood lumber agreement with the United States, and that the Government will proceed with implementation of this agreement when Parliament resumes sitting in September.

Implementation of the softwood lumber agreement requires passage of a ways and means motion containing financial measures. As a "money bill", this ways and means motion will automatically be a confidence measure for the Government. Should the motion be defeated, the Government will fall and an election will take place.

When the softwood lumber deal was first reached last April, all three opposition parties quickly attacked the deal - even before reading it - and have maintained their opposition ever since. Some, such as Liberal leadership candidate Bob Rae, have even urged their parties to defeat the Government over the softwood deal.

The opposition, in my view, would be foolish to defeat this ways and means motion. The softwood lumber deal is backed by two national governments, the three key softwood-producing provinces and a clear majority of lumber companies. Further, public opinion polling has shown that most Canadians support the deal.

Nevertheless, the opposition parties are on the record as being opposed. And although we hope the parties reassess their positions, the Conservative Party must be ready to fight an election should the opposition parties decide to force an election over the Canada-U.S. softwood lumber agreement.

I have instructed staff within the Political Operations department at National Office to step up contingency planning efforts. And I would also ask that all EDA boards meet to assess their election readiness and prepare local contingency plans should the writ be dropped after Parliament resumes in September.